VZCZCXRO0773
PP RUEHROV
DE RUEHJM #0476/01 0751622
ZNY CCCCC ZZH
P 161622Z MAR 09
FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC PRIORITY 4389
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 000476

SIPDIS

NEA FOR FRONT OFFICE AND IPA; NSC FOR SHAPIRO/PASCUAL; JOINT STAFF FOR LTGEN SELVA

E.O. 12958: DECL: 03/16/2019 TAGS: <u>PREL PGOV PTER KWBG KPAL EG</u>

SUBJECT: PALESTINIAN RECONCILIATION: CORE ISSUES REMAIN

UNRESOLVED

REF: A. JERUSALEM 465

\_B. DOHA 177

Classified By: Consul General Jake Walles for reasons 1.4. (b) and (d)

11. (C) SUMMARY. Significant gaps remain on core issues in the reconciliation talks in Cairo, although there is some agreement on secondary issues, according to Fatah and independent sources. Continued Egyptian pressure, including discussion of a signing ceremony for an agreement March 22, is having only a limited effect. Major issues remain unresolved on security, elections, and government formation. END SUMMARY.

SOURCES REPORT SIGNIFICANT GAPS ON CORE ISSUES

- 12. (C) On March 14, Fatah official Ahmad Abdel Rahman and Palestinian National Unity Secretary-General Mustafa Bargouthi told PolSpec that the Egyptian-chaired Steering Committee and five working-level Palestinian-chaired committees (REF A) reconvened after a one-day recess. Work continued through March 16, after which the parties are expected to recess for consultations, allowing the Steering Committee to continue efforts to broker the remaining problems.
- 13. (C) Abdel Rahman and Bargouthi said that significant gaps remain on the core areas of government formation, elections, and security.
- -- In the PA government committee, Fatah sources told PolSpec that Hamas has agreed that it would appoint only ten of 24 ministers (instead of 12), but only if that includes the most influential positions: Prime Minister, Finance Minister, Interior Minister, and Foreign Minister; Fatah rejects this. Wrangling continued over the question of whether a new government will "respect" or "abide by" previous Palestinian agreements. President Abbas' commitment to the Quartet principles remains steadfast, according to Fatah sources.
- -- In the security committee, according to Azzam al Ahmad, the Egyptians proposed referring security issues to a new committee to be formed by the next PA government. Hamas wants the committee to be convened by the Prime Minister (whom Hamas wants to appoint); Fatah wants President Abbas to form the committee. Key areas of disagreement include consolidation of security forces under Presidential or Ministerial control.
- -- In the elections committee, according Abdel Rahman, Hamas continues to reject the 2007 elections law. Hamas also proposes to reform with "acceptable personalities" the Central Elections Committee that organizes, implements, and oversees Palestinian elections. Fatah maintains that this Committee is by law under the purview of the President and

not subject to negotiation. The parties have agreed that the Presidential and Palestinian Legislative Council elections will be held no later than January 25, 2010, reflecting a change in Hamas' previous position.

## LIMITED PROGRESS ON OTHER ISSUES

\_\_\_\_\_

- 14. (C) By mutual consent, all "agreements" are considered tentative until the conclusion of all committee work. The talks are operating under the principle that nothing is agreed until everything is agreed, so either side may agree on peripheral issues as a tactic to gain concessions on more important areas. Both sides are reserving the right to re-examine initial agreements if the overall composition of a reconciliation accord is unsatisfactory.
- 15. (C) On March 14, according to Abdel Rahman and Bargouthi, the Internal Reconciliation Committee had its areas of agreement ratified by the Egyptian Steering Committee. The agreement establishes a special fund to compensate both Fatah and Hamas victims of violence over the past few years. Both sides agreed to sign a pledge against infighting.
- 16. (C) Also on March 14, the PLO Reform Committee submitted its findings to the Steering Committee, according to Abdel Rahman. The Committee agreed that election for the PLO's Palestinian National Council would be held after the PLC-Presidential elections. However, significant disagreements remain. PLO Executive Committee (PLO-EC) member Samir Ghosheh told PolSpec that Fatah rejected a Hamas

JERUSALEM 00000476 002 OF 002

proposal to form a new interim PLO leadership committee until these elections are held, comprised of existing PLO-EC members, secretaries-general of all factions, plus independents. Fatah rejects this, characterizing it as an attempt to replace the PLO-EC.

## EGYPTIAN PRESSURE CONTINUES

17. (C) Fatah delegation head Ahmad Quraya (Abu Ala'a) said publicly that the Egyptians have proposed a deadline of March 22 to sign an agreement, or in any case on some date prior to the Arab League Summit in Doha (set for March 29-30, REF B). Abdel Rahman told PolSpec that, if the Egyptian Steering Committee cannot resolve outstanding differences by the end of the week, it may refer the issues to faction leaders. WALLES